IN THE HIGH COURT OF GUJARAT AT AHMEDABAD

SPECIAL CIVIL APPLICATION No. 5042 of 2006

For Approval and Signature:

HONOURABLE MR.JUSTICE RAVI R.TRIPATHI

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1 Whether Reporters of Local Papers may be allowed to see the judgment ?

2 To be referred to the Reporter or not ?

3 Whether their Lordships wish to see the fair copy of the judgment ?

4 Whether this case involves a substantial question of law as to the interpretation of the constitution of India, 1950 or any order made thereunder ?

5 Whether it is to be circulated to the civil judge ?

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WYETH HOLDINGS CORPN. AND ANOTHER
VERSUS
CONTROLLER GENERAL OF PATENTS, DESINGS & TRADE MARKS AND OTHERS

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Appearance :
MR PM THAKKAR, SENIOR COUNSEL assisted by MR TN DARUWALA, MR PS RACHH AND MR PP BANAJI for the Petitioners
MR PJ MALKAN for Respondent Nos.1, 2 and 3
MR RR SHAH for Respondent NO.4

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CORAM : HONOURABLE MR.JUSTICE RAVI R.TRIPATHI

Date : 08/08/2006

ORAL JUDGMENT

1. The petitioners, manufacturers of pharmaceutical and medicinal preparations being aggrieved of impugned order dated 29.06.2005 passed by the Assistant Registrar of Trade Marks, Ahmedabad – respondent No.2 herein are

before this Court.

Impugned order dated 29.06.2005 is an order which is not only devoid of any reasons but is also drawn in a very sketchy manner. Though the Intellectual Property Appellate Board (hereinafter referred to as, "the IPAB" for short) has been observing against such orders, time and again, respondent No.2 though in know of such observations of IPAB, refused to take cognizance thereof. In the matter of **ASIAN PAINTS LTD. VS. REGISTRAR OF TRADE MARKS AND ANOTHER**, reported in 2005 (30) PTC 444 (IPAB), the board observed as under:

> "..... The impugned order has been drawn up in a very sketchy manner. Quasi judicial orders affecting the vital interests of the society **should be put down in a more serious manner**."

2. This very board in yet another matter of **HINDUSTAN LEVER LTD. VS. SUNRIDER CORPORATION AND ANOTHER**, reported in 2006 (32) PTC 287 (IPAB) has again observed that:

> "..... In this case we find that the operative part of the order runs into seven lines. A quasi judicial authority should shun such a practice which is abhorrent to the principles of natural justice. All the relevant facts of the case should be brought out in the order and the reasons for arriving at the conclusion be discussed in the order."

3. Before I deal with the merits of the matter, the

judicial conscience warrants me to discharge an unpleasant duty.

Mr.P.M.Thakkar, learned senior counsel for the petitioner invited my attention to the fact that a decision of the IPAB in the matter of Asian Paints (supra) was cited before respondent No.2 – the Assistant Registrar before he passed the impugned order. But, still, he has passed the order impugned overlooking a binding decision of IPAB. That being so, this Court called upon learned advocate for respondent Nos,1, 2 and 3 to file an affidavit, so that it may not be said that before passing an order against respondent No.2, an opportunity was not given.

It is shocking that an Assistant Registrar has filed an affidavit which shocks the judicial conscience. The Assistant Registrar – respondent No.2 in his affidavit affirmed on 05.08.2006 has admitted that the decision of IPAB was cited before him – respondent No.2 at the time of passing of the order under challenge in this petition. Paragraph No.4 (c). of the affidavit in reply reads as under:

> “With respect to the binding decision of IPAB delivered in February, 2006, which was required to be followed by me in the judgment passed by me after February, 2005 (sic – 2006), I humbly state and submit that I have observed in my reported judgment,

2006 PTC 32 (REGISTRAR) at para 63 as follows:

> *"The said decision of the Hon'ble IPAB was based on what was argued before it on filmsy (sic – flimsy) ground **without taking into consideration the drastic change of fundamental characters in Rules, and clear, specific and imperative language and intent of the Legislature, and the basic principles of law/binding precedent laid down by the Hon'ble Apex Court** and the conduct of the opponent. Therefore, with immense respect, the said decision being the decision in personam is applicable to the parties involved therein."*

Further, at para 68 of the said Affidavit (sic 0 judgment), it was observed-

> *"As far the reliance placed on the decision of Hon'ble IPAB by the Ld.Advocate for the petitioner/opponent, I am of the view that the facts and circumstances in the case before the Hon'ble Board are entirely different from the facts of the case on hand and as such as per ratio land down by the Hon'ble Apex Court in the case AIR 1975 SC 915 (Supra) and other cases referred to herein above, the decision of the Hon'ble IPAB would not help the petitioner."*

4. Respondent No.2 – the Assistant Registrar has an audacity to file an affidavit and declare on oath in paragraph No.4 (d). The said paragraph reads as under:

> "I humbly state and submit, that in all the cases of the same nature coming before me, I had adopted the uniform law i.e. the statue and the Trade Mark

Rules, 2002 as per new legislature making the rule 50(2) as mandatory.”

The IPAB in its decision in the matter of Asian Paints (supra) has dealt with a question as to whether, 'the provisions of Rule 50 of the Trade Marks Rules, 2002, making provision for, filing of evidence in support of opposition, is directory in nature or mandatory.'

To quote the reply of this question in the words of the IPAB itself, paragraph Nos.5, 6, 7 and 8 of the decision in the matter of Asian Paints (supra) are reproduced. The same read as under:

“5. Learned counsel for the appellant drew our attention to Rule 50 of Trade Marks Rules, 2002 making provision for filing of evidence in support of opposition. She contended that Rule 50(2) is directory in nature. She relied upon the Full Bench Judgment of Delhi High Court in **Hastimal Jain v. Registrar of Trade Marks 2000 PTC 24 DEL** in this regard. Rule 53(2) of the Trade and Merchandise Marks Rules, 1959, parallel of Rule 50(2) of the Trade Marks Rules, 2002, was held to be directory by the Hon'ble High Court. The immediate effect of this interpretation is that the Assistant Registrar is not under a mandate to deem the opposition as abandoned. In suitable cases, he can permit for grant of extension for filing of evidence in opposition.

6. Learned counsel for the second respondent pointed out that Rule 53 of the Trade and Merchandise Marks Rules, 1959 has undergone material

changes in its new transformation as Rule 50 of the Trade Marks Rules, 2002. He pointed out three substantive changes which have been made in the text of the Rule. Sub rule (1) has been modified with a view to provide that the opposition shall be filed within two months from service of a copy of the counter statement or within such further period not exceeding one month in the aggregate thereafter as the Registrar may on request allow. New sub rule (3) has been added with a view to provide that the application for grant of extension of a period of one month mentioned in sub-rule (1) shall be made in Form 56 accompanied by the prescribed fee before the expiry of the period of two months therein. He pointed out that sub-rule(2) has been amended with a view to take away the in built discretion of the Registrar provided under the old Rule in the nature of expression unless Registrar otherwise directs. He submitted that with this new provisions in the Rule no discretion is left with the Registrar to grant extension beyond one month.

7. Learned counsel for the appellant submitted that, besides allowing extension for filing of evidence in opposition, the learned Assistant Registrar should have waited for the evidence to be filed by the respondent on record. The society at large has a vital interest in maintaining the purity of the Register. In view of that with a view to substantiate his claim in the impugned mark the relevant evidence should have been brought on record for arriving at a correct decision.

8. Provisions under Rule 50 of the Trade Marks Rules, 2002 are not to be read in isolation. The other connected provisions under the Act and the

Rules made thereunder are to be taken into account.....”

The IPAB considered provisions contained in Section 131 of the Trade Marks Act, 1999 and Rule 105 of the Trade Marks Rules, 2002 and then observed as under:

“Section 131 of the Trade Marks Act, 1999 and Rule 105 of the Trade Marks Rules, 2002 are reproduction with mutatis mutandis changes, of section 101 of the Trade and Merchandise Marks Act, 1958 and Rule 106 of the Trade Marks Rules, 1959 respectively. The scope of section 105 (sic – 101) had been a matter of consideration under 2000 PTC 24 DEL by the Full Bench of that Court. It is enough to mention that rule 105 provides for grant of extension of time by the Registrar in all matters of excepting a few matters specifically referred to in that rule. **Accordingly, provisions of Rule 105 are to be read in furtherance of substantive provisions contain in section 131 of the Act**.

It is true that Rule 50 in its new incarnation has undergone changes of fundamental character. However, the settled proposition of law is that the provisions in subordinate legislation have to be in conformity with the provisions of principal legislation. Section 131 as interpreted by the Courts by virtue of its parallel provision under Section 101 under the Trade and Merchandise Marks Act, 1958 is very much in place in its old form which unambiguously confers a discretionary power in the Registrar to grant extension. It is a settled position in law that the discretion of the Registrar under section 131 of the Act extends to the grant of

extension in matter of filing of evidence in opposition.....”

5. This binding judgment of the IPAB is brushed aside by respondent No.2. Not only that, he has filed an affidavit before this Court stating that, 'he (respondent No.2) has already dealt with the binding decision of the IPAB in his reported judgment in 2006 PTC 32 (REG.)' The language used in paragraph No.63 of that reported judgment, reproduced in paragraph No.3 hereinabove, is offensive and contemptuous. The Assistant Registrar – respondent No.2 is duty bound to follow a binding decision of the appellate forum. He cannot distinguish the same by observing that, **“The said decision of the Hon'ble IPAB was based on what was argued before it on filmsy (sic – flimsy) ground without taking into consideration the drastic change of fundamental characters in Rules, and clear, specific and imperative language and intent of the Legislature, and the basic principles of law/binding precedent laid down by the Hon'ble Apex Court**.....”.

6. If this is not checked, this will lead to further chaos. As there is already enough chaos. Let there be no further chaos created. A subordinate officer distinguishing a binding decision of the higher forum in such language, must be dealt with strictly.

7. Mr.P.M.Thakkar, learned senior counsel appearing for the petitioners invited the attention of this Court to a decision of the Hon'ble the Apex Court in the matter of **UNION OF INDIA VS. KAMLAKSHI FINANCE CORPORATION LTD.**, reported in 1991 (55) E.L.T. 433 (S.C.). There, the Hon'ble the Apex Court was considering the strictures passed by the Bombay High Court against two Assistant Collectors for flouting Collector Appeals' order. It is a matter of record that the order of the Collector Appeals' was based on a Tribunal judgment against which department had gone in appeal to Supreme Court. The Hon'ble the Apex Court was pleased to uphold the strictures passed by the Bombay High Court. The Hon'ble the Apex Court was pleased to direct the department to pay utmost regard to judicial discipline and give effect to orders of higher appellate authorities which are binding on them.

The Hon'ble the Apex Court dealing with the submissions made by the learned Additional Solicitor General had observed as under:

> “The learned Additional Solicitor General submits that the learned Judges have erred in passing severe strictures [1990 (47) ELT 231 (Bom.)] against the two Assistant Collectors who had dealt with the matter. He submitted that these officers had given reasons for classifying the goods under heading 39.19 and not 85.46 and could do no more. He

submitted that they acted bona fide in the interests of Revenue in not accepting a claim which, they felt, was not tenable. Sri Reddy is perhaps right in saying that the officers were not actuated by any mala fides in passing the impugned orders. They perhaps genuinely felt that the claim of the assessee was not tenable and that, if it was accepted, the Revenue would suffer. **But what Sri Reddy overlooks is that we are not concerned here with the correctness or otherwise of their conclusion or of any factual mala fides but with the fact that the officers, in reaching their conclusion, by-passed two appellate orders in regard to the same issue which were placed before them, one of the Collector (Appeals) and the other of the Tribunal. The High Court has, in our view, rightly criticised this conduct of the Assistant Collectors and the harassment to the assessee caused by the failure of these officers to give effect to the orders of authorities higher to them in the appellate hierarchy.** The impression or anxiety of the Assistant Collector that, if he accepted the assessee's contention, the department would lose revenue and would also have no remedy to have the matter rectified is also incorrect. Section 35-E confers adequate powers on the department in this regard. In the light of these amended provisions, there can be no justification for any Assistant Collector or Collector refusing to follow the order of the Appellate Collector or the Appellate Tribunal, as the case may be, even where he may have some reservations on its correctness. **He has to follow the order of the higher appellate authority**.

8. In the case on hand, even if, 'the Assistant

Registrar had reservation on the correctness of the decision of the IPAB, he had no option then to follow the order of the higher appellate authority.' The conduct of respondent No.2 – the Assistant Registrar is still grave. He has an audacity to come before the High Court and file an affidavit justifying his act. As observed hereinabove, if this is allowed, it will end into, 'an unending chaotic situation', which will not be in the interest of public at large. The public at large still reposes confidence in the judiciary as it still maintains 'judicial discipline.'

9. The Office is directed to send this judgment and order to respondent No.1 – the Controller General of Patents, Designs and Trade Marks for his attention and necessary action, which shall be placed on the record of this case.

10. Coming to the merits of the case, though it is argued at length, in the considered opinion of this Court, the case must not hold this Court for long.

Section 21 of the Trade Marks Act, 1999 (hereinafter referred to as, “the Act”) provides for, '**Opposition to registration**'. Sub-section (1) thereof permits any person to give notice in writing in the prescribed manner on payment of the prescribed fee of opposition to registration. Sub-section (2) imposes a duty on the 'Registrar' to serve a copy of the notice on the

applicant for registration.

Sub-section (2) also imposes a duty on the applicant to submit his counter statement consisting of the grounds on which he relies for his application, within two months. It also provides the result of opposition and compliance of filing of counter statement within the prescribed time limit, i.e. two months by saying that, “..... and if he does not do so he shall be deemed to have abandoned his application.”

Sub-section (3) of Section 21 requires the Registrar to serve copy of the 'counter statement' on the person who had given notice of opposition.

Sub-section (4) of Section 21 provides that, any evidence which the opponent and the applicant wants to rely upon, shall be submitted in the prescribed manner and within the prescribed time to the Registrar, who in turn, is required to give them a part hearing, if they so desire.

Sub-sections (5), (6) and (7) are not material for the present as there is no controversy qua them.

11. Section 131 of the of the Act provides for, '**Extension of time**', which may be referred to little late as Section 157 of the Act which confers power to make Rules is required to be referred to first. Sub-section

(1) of Section 157 empowers the Central Government to frame rules, to carry out the provisions of this Act by notification in the Official Gazette, subject to the condition of previous publication.

Sub-section (2) of Section 157 provides the subjects on which the Rules are to be framed. It reads as under:

> "In particular, and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely:-
>
> (i) X X X
> (ii) X X X
> (iii) X X X
> (iv) X X X
> (v) X X X
> (vi) X X X
>
> The above Clauses are not material for the present, as the controversy is raised, qua Clause VII only, which reads as under:
>
> (vii)the manner of making an application and the fee payable for such application giving notice under sub-section (1) and sending counter-statements under sub-section (2) and submission of evidence and the time therefor under sub-section (4) of Section 21;"

By virtue of power conferred under Section 157 of the Act, the Central Government made rules, titled as, "The Trade Marks Rules, 2002" (hereinafter referred to

as, “the Rules). Rule 50 of the Rules deals with the subject matter in this petition. The said rule deals with, '**Evidence in support of opposition**' Sub-rule (1) of Rule 50 reads as under:

> “Within two months from service on him of a copy of the counterstatement or within such further period not exceeding one month in the aggregate thereafter as the Registrar may on request allow, the opponent shall either leave with the Registrar, such evidence by way of affidavit as he may desire to adduce in support of his opposition or shall intimate to the Registrar and to the applicant in writing that he does not desire to adduce evidence in support of his opposition but intends to rely on the facts stated in the notice of opposition. He shall deliver to the applicant copies of any evidence that he leaves with the Registrar under this sub-rule and intimate the Registrar in writing of such delivery.”

Sub-rule (2) of Rule 50 is the sub-rule under which the Assistant Registrar – respondent No.2 herein has passed the order under challenge. Sub-rule 2 reads as under:

> “If an opponent takes no action under sub-rule (1) within the time mentioned therein, he shall be deemed to have abandoned his opposition.”

10.08.2006

Sub-rule (3) of Rule 50 provides:

> “An application for the extension of the period of

one month mentioned in sub-rule (1) shall be made in Form TM-56 accompanied by the prescribed fee before the expiry of the period of two months mentioned therein."

CHRONOLOGICAL EVENTS

12. Following facts are not in dispute:

(I)Respondent No.4 – Rekvina Pharmaceuticals filed application on 05.09.2000 for registration bearing No.953600 in Class-05 for "MOLOX" Trade Mark, claiming user since 01.07.1991.

(II)Advertisement published on 04.08.2003 in Trade Marks Journal No.1300 page No.52 in respect of this application.

(III)Petitioners lodged opposition to the aforesaid registration application on 01.09.2003.

(IV)Respondent No.2 filed its counter statement on 15.12.2003 in the Trade Mark Registry.

(V)The Assistant Registrar – respondent No.2 herein sent copy of the counter statement to the petitioners on 01.03.2004.

(VI)Petitioners received copy of the counter statement, but the date is not disclosed.

(VII)Petitioners filed application for extension of time in Form TM-56 on 21.04.2004.

(VIII)Petitioners filed another application for further extension of time in Form TM-56 on 21.05.2004.

(IX)Petitioners filed another application for further extension of time in Form TM-56 on 31.08.2004. However, this application is not annexed to the petition, though this fact is mentioned at para 8 of the petition and it is mentioned that it is produced at Exhs.F1 to F3.

(X)Petitioners filed affidavit and documents under Rule 50 before respondent No.2 and sent a copy thereof to respondent No.4 on 15.09.2004.

(XI)Respondent No.4 received copy of affidavit on 20.09.2004, but then it is contended by respondent No.4 that the same was without documents.

(XII)Respondent No.4 filed its evidence under Rule 51 before Respondent No.2 – the Assistant Registrar with a copy to the petitioner on 07.12.2004

(XIII)Respondent No.2 passed order treating opposition is 'abandoned' under Rule 50(2) on 29.06.2005. This order is under challenge in this petition.

13. The aforesaid facts are matter of record and the same are not disputed by either party. The only dispute is as to what is the character of Sub-rule (2) of Rule 50

which provides that, 'if an opponent does not take action under Sub-rule (1) within the time mentioned therein, he shall be deemed to have abandoned his opposition.'

It is contented by learned senior counsel appearing for the petitioners that this Rule is 'directory' and therefore, the Assistant Registrar – respondent No.2 herein ought to have considered the applications filed by the petitioners for extension of time on 21.04.2004, 21.05.2004 and 31.08.2004 and should have considered the affidavit and documents filed under Sub-rule (1) of Rule 50.

As against that, a contention is raised on behalf of respondent No.4 that the Rule is mandatory, as it provides for the consequences, if the action is not taken under Sub-rule (1) of Rule 50 within the time prescribed therein. Learned advocate for respondent No.4 supported the order impugned and submitted that the order is rightly passed in light of the true spirit of Sub-rule (2) of Rule 50.

14. Both the sides argued the matter at length.

Learned senior counsel appearing for the petitioners invited the attention of this Court to the various provisions of the Act and the Rules, viz. Section 21, Rule 50, Section 131 and Rule 105. The thrust of the submissions of the learned senior counsel is that in

light of the provisions contained in Section 131, Sub-rule (2) of Rule 50 cannot be construed to be a 'mandatory' one. He submitted that if Sub-rule (2) of Rule 50 is construed 'mandatory' then in his respectful submission, it will be 'ultra virus' inasmuch as, it travels beyond the scope of Section 131, which controls an important aspect of 'grant of extension of time.'

The learned senior counsel for the petitioners submitted that if at all the legislature wanted to prescribe the time limit in Sub-rule (2) of Rule 50 for filing of evidence in support of opposition, it could have incorporated the same in Sub-section (4) of Section 21 of the Act. He submitted that the fact that the legislature prescribed time limit for filing of opposition to the registration in Sub-section (1) of Section 21 and prescribed time limit for filing the counter statement to such opposition in Sub-section (3) of Section 21, there was no earthly reason for the legislature not to prescribe a time limit and the consequences of nonobservance of such time limit for filing of the evidence in support of opposition.

The learned senior counsel for the petitioners submitted that the fact that in Sub-section (4) of Section 21 the legislature left the matter of filing of evidence in support of opposition to be regulated by the Rules and to be implemented by the Registrar, the only

inference which can be drawn is that the legislature never wanted to put 'the filing of evidence' on the same pedestal that of the filing of opposition to the registration. The learned senior counsel submitted that the legislature drew specific distinction between 'filing of opposition' to the registration and 'filing of evidence' in support of registration. He further submitted that the distinction drawn between the two is intelligible. He submitted that having felt that 'filing of opposition' is a substantive right, the legislature deliberately and being conscious of the fact that it is a substantive right, included it in the Act itself and provided the time limit for the same in the same Sub-section, i.e. (1) of Section 21. He submitted that as against, 'filing of evidence' in support of opposition was felt to be more a procedural thing and therefore, the same was left to be regulated by the Rules on the subject. The learned senior counsel for the petitioner submitted that while giving power to frame Rules under Section 157, the legislature specifically provided the matter of 'filing of evidence' in support of opposition in Clause (vii) of Sub-section (2) of Section 157. Not only that, in Clause (vii) also, Sub-section (4) of Section 21 is specifically referred to. He submitted that, that being so, the Rule making authority has, though not specifically made it clear that Sub-rule (2) of Rule 50 will be directory in nature, it has to be

construed as 'directory' in nature so as to see that it remains in consonance with the intention of the legislature expressed by Section 131 of the Act. He submitted that if at all Sub-rule (2) of Rule 50 is to be read as 'mandatory', it will directly offend Section 131 of the Act and in that event, the Court will have to declare Sub-rule (2) of Rule 50 as ultra virus the Act. In the alternative, being a piece of subordinate legislation to see that it does not exceed the scope of the main legislation, applying the principles of harmonious construction, it should be construed as 'directory'. In this regard, the learned senior counsel relied upon various decisions of this Court as well as the Hon'ble the Apex Court.

15. The learned senior counsel for the petitioners relied upon a decision of the Hon'ble the Apex Court in the matter of **SALEM ADVOCATE BAR ASSOCIATION, TAMIL NADU VS. UNION OF INDIA**, reported in 2006 (2) GLR 1312. The learned senior counsel emphasized upon head note 'H', relevant part of it reads as under:

> "The use of the word 'shall' in Order 8, Rule 1 by itself is not conclusive to determine whether the provision is mandatory or directory. The Court to ascertain the object which is required to be served by this provision and its design and context in which it is enacted. The use of word 'shall' is ordinarily indicative of mandatory nature of the

provision, but having regard to the context in which it is used or having regard to the intention of the legislation, the same can be construed as directory.”

The learned senior counsel for the petitioners submitted that therefore, even when it is provided in Sub-rule (2) of Rule 50 that, 'when no action is taken by the opponent under Sub-rule (1) of Rule 50 within the time mentioned therein, **he shall** be deemed to have abandoned his opposition, the word, 'shall' is to be read, as observed by the Hon'ble the Apex Court, having regard to the context in which it is used and having regard to the intention of the legislature as 'directory.'

16. The learned senior counsel for the petitioners next relied upon a decision of the Hon'ble the Apex Court in the matter of **SHAIKH SALIM HAJI ABDUL KHAYUMSAB VS. KUMAR AND OTHERS**, reported in (2006) 1 S.C.C. 46.

The Hon'ble the Apex Court was considering the provision contained in Order 8, Rule 1 of the Civil Procedure Code and proviso thereto. The Hon'ble the Apex Court was pleased to hold that, the same are directory in nature and they do not take away the power of the Court to take 'written statement' on record though filed beyond 90 days. The Hon'ble the Apex Court referred to its earlier judgment in the matter of **NANHKU** (2005) 4 SCC 480

and **SALEM** (II), (2005) 6 S.C.C. 344. The learned senior counsel submitted that the Hon'ble the Apex Court was pleased to observe that, “observance of time schedule contemplated by Order 8 Rule 1 shall be the rule and departure therefrom an exception, made for satisfactory reasons only.” The learned senior counsel submitted that, that being so, the impugned order which is passed in a cryptic manner, without mentioning as to whether there were any satisfactory reasons to grant extension of time as prayed for and only on the ground that the provision of Sub-rule (2) of Rule 50 is 'mandatory', is required to be quashed and set aside by this Court on the grounds which are more than one, viz. **(1)** Sub-rule (2) of Rule 50 cannot be read as mandatory because then it will be ultra virus as it will be traveling beyond the scope of Section 131 of the Act and **(2)** the attention of the Assistant Registrar was invited to more that one decisions of the IPAB wherein the higher appellate forum had held Sub-rule (2) of Rule 50 to be 'directory', which even if respondent No.2 had felt to be incorrect, was bound to follow the same.

17. The learned senior counsel for the petitioners also invited the attention of this Court to the Full Bench decision of the Delhi High Court in the matter of **HASTIMAL JAIM TRADING AS OSWAL INDUSTRIES VS. REGISTRAR OF TRADE MARKS AND ANOTHER**, reported in 2000 PTC 24 (FB).

The learned senior counsel submitted that even if it is argued that the decision of the Full Bench was dealing with the provisions of 1958 Act and 1959 Rules, one of the grounds on which a similar provision like that of Sub-rule (2) of Rule 50 was held to be directory is applicable to the present case also. It was held that a 'subordinate legislation cannot travel beyond the intent of provisions of the main Act.' The learned senior counsel invited the attention of this Court to the relevant part of the Full Bench judgment wherein the Court considered this vary aspect and held that, the the concerned Rule is directory and not mandatory. The Court had also held that the Registrar has power to extend time for filing evidence even though the period mentioned in the relevant Rule or the extended period thereof has expired and even though an application for extension of time is made beyond that period.

The learned senior counsel also relied upon a decision of the Registrar (Kolkata) to point out that, but for the adamance of respondent No.2 which is apparent from the fact that despite there being a binding decision of the IPAB, which is pointed out to respondent No.2, he has brushed aside the same making such observations in his judgment which are not befitting to an officer who is assigned the duty of deciding the matter judiciously, the order impugned be quashed and set aside.

18. Mr.R.R.Shah, learned advocate for respondent No.4 supported the order under challenge dated 29.06.2005. Learned advocate invited the attention of this Court to the provisions of Sub-rule (1) of Rule 50 and submitted that it is specifically provided under Sub-rule (1) of Rule 50 that, 'it is within two months from the date of service on the person filing opposition, that a copy of the counter statement is to be filed.' This period can be extended maximum for one month in aggregate. He submitted that the opponent is duty bound to either leave with the Registrar such evidence, by way of affidavit which the opponent may desire to adduce in support of his opposition or shall intimate to the Registrar and to the applicant in writing that the opponent does not wish to adduce evidence in support of his opposition, but intends to rely upon the facts stated in the notice of opposition. Learned advocate submitted that Sub-rule (1) of Rule 50 also casts a duty on the opponent to deliver the applicant copies of the evidence which he leaves with the Registrar under this Sub-rule and intimate the Registrar in writing of such delivery.

Mr.Shah, learned advocate for respondent No.4 submitted that the time prescribed under Sub-rule (1) of Rule 50 of the Rules, is in fact, provided in the Act itself. For this submission, he referred to Sub-section (4) of Section 21 of the Act. He submitted that in Sub-

section (4) of Section 21 it is provided that, “Any evidence upon which the opponent and the applicant may rely shall be submitted in the prescribed manner and within the prescribed time to the Registrar.....”. He submitted that the term 'prescribed' is defined in Clause '(s)' of Section 2 of the Act which reads as under:

> “Section 2 (s) “prescribed” means prescribed by the rules made under this Act;”

He submitted that, that means Sub-section (4) of Section 21 when provides for 'prescribed' time that means, the 'time prescribed' in the Rules. Thus, the time limit stands prescribed under the Act itself. He submitted that Section 157 of the Act provides for, '**Power to make rules**' and accordingly, under Sub-section (1) of Section 157, the Central Government has framed the Rules and the same are framed by notifying them in the Official Gazette. He submitted that even the condition of previous publication is also satisfied and therefore, the Rules are 'statutory' in character. He submitted that Sub-section (2) of Section 157 specifically refers to the subject matter of Section 21 and particularly, Sub-section (4) of Section 21 is also referred to. He submitted that in the totality of the provisions of the Act, the time to file evidence in support of opposition stands prescribed under Sub-section (4) of Section 21

because in Sub-section (4) of Section 21, it is clearly mentioned that the evidence upon which the opponent and the applicant wish to rely, shall be submitted in the prescribed manner and within the prescribed time. He submitted that it is true that like Sub-section (1) of Section 21, specific period is not prescribed in Sub-section (4) of Section 21, but then when it is said that the evidence in support of opposition shall be submitted within prescribed time then that time can be prescribed by the Rules as provided in Clause (s) of Section 2 of the Act and accordingly, the time prescribed in Sub-rule (1) of Rule 50 of the Rules stands prescribed in the Act itself. He submitted that besides, the consequences of non observing the time limit prescribed under Sub-rule (1) of Rule 50 is provided. He submitted that, this prescribing of consequences makes Sub-rule 2 of Rule 50 'mandatory' in character and respondent No.2 – the Assistant Registrar has rightly passed the order under challenge dated 29.06.2005.

Learned advocate Mr.Shah submitted that this Court is not the appellate authority, more so because an appeal is provided against the order passed by the Assistant Registrar. He submitted that in the present case, an appeal is provided under the statute itself and when such appeal is prescribed, a petition under Article 226 is not required to be entertained.

11.08.2006

19. Learned advocate Mr.Shah for respondent No.4 next submitted that the present petition deserves to be dismissed on the ground of suppression of material fact. The learned advocate submitted that the present petition was filed in October, 2005. The petition was verified at Bombay on 17.10.2005, but then it was circulated in March, 2006 and the first order was passed on 21.03.2006. The learned advocate submitted that it is mentioned in paragraph No.20 of the petition that:

> ".....Without prejudice to the above submissions, the Petitioners respectfully submit that from March – April, 2005 till the time of filing this Petition no Technical Member has been appointed to sit with the learned Judicial Member, the Hon'ble Mr.Justice Jagadeesan, of the **IPAB** (Intellectual Property Appellate Board) to hear matters. Thus, upto the date of filing of this Petition the **IPAB** cannot admit or hear any Appeals. Petitioners, therefore, most respectfully submit that they have no effective or effectual or alternative efficacious remedy for redressing their legitimate and valid grievance other than having recourse to the Writ Jurisdiction of the Hon'ble Court and it is reiterated that the reliefs granted by this Hon'ble Court would be an adequate, effective and complete relief in this Writ Petition....."

Mr.Shah emphatically submitted that on the date of

filing of the petition, i.e. in the month of October, 2005, it was true, but was not true on the day when this Court passed the first order i.e. on 21.03.2006. He submitted that the IPAB was available on the day of passing of the first order in this petition as the technical member was appointed in February, 2006. He submitted that the petitioner ought to have amended the petition and ought to have brought this development to the notice of the Court at the time of obtaining the first order.

20. Learned senior counsel appearing for the petitioners submitted that the aforesaid fact was mentioned while narrating the facts. He submitted that the grievance ventilated in the petition is in the later part of paragraph No.20 of the petition. He invited the attention of the Court to this part of paragraph No.20 which reads as under:

> “..... In this particular case, the Assistant Registrar has acted in the matter capriciously and passed an Order in a manner which is wholly contrary to the rules of natural justice and all accepted rules of procedure and which is wholly unreasonable and arbitrary and which it is respectfully submitted would offend the Superior Courts' (this Hon'ble Court) sense of fair play, and thus having regard to the facts and circumstances of this case it is respectfully submitted that this Hon'ble Court do exercise its power to issue the prerogative Writ or

> certiorari to correct the error of the Assistant Registrar, even if an Appeal to the IPAB was available – but could not have been considered to be an effective alternative remedy.”

Along with this, the learned senior counsel submitted that the relief sought for in Clause (B) of paragraph No.28 could be granted only by this Court and not by the appellate forum. Clause (B) of paragraph No.28 reads as under:

> “Without prejudice to prayer (A), this Hon'ble Court do Order and declare that Rule 50 Sub Rule (2) of the Trade Marks Rules, 2002 is arbitrary and ultra virus the provisions of Article 14 of the Constitution of India and/or the provisions of the Trade Marks Act, 1999 and must be struck down.”

The learned senior counsel submitted that this relief cannot be granted by the IPAB and therefore, the petition is the only efficacious remedy available to the petitioners.

21. Learned advocate Mr.Shah appearing for respondent No.4 submitted that the petitioners have not disclosed the date of having received the counter statement. He submitted that the said date is material as it is provided in Sub-rule (1) of Rule 50 that, 'within two months from services on the opponent of a copy of the counter statement, he is to file the evidence in support of opposition.' He submitted that the period of

limitation will start from the date on which the counter statement is served to the opponent.

22. Mr.Thakkar, learned senior counsel appearing for the petitioners submitted that the learned advocate for respondent No.4 is unnecessarily trying to prejudice the Court by alleging 'suppression of material date.' He submitted that it is true that the said date is not specifically and separately mentioned in the memo of petition, but that is not because of any ill-design. He submitted that it was only on account of an inadvertent mistake. He submitted that the date is clearly mentioned in an application made in Form TM-56, praying for extension of time. He submitted that the said application is marked as Exh.F-1 at page No.64 of the memo of the petition and the first paragraph thereof reads as under:

> “....., the Opponents herein do hereby apply for an extension of time of two months from 1/3/2004 for filing an Affidavit in support of the Opposition on the grounds:-”

Learned advocate Mr.Shah for respondent No.4 submitted that though it is for respondent No.2 to explain his act of not following a decision of IPAB, but as he was present in the proceedings before the Assistant Registrar – respondent No.2, factually he will like to point out that the judgment and order passed by the IPAB was not cited before respondent No.2 – the Assistant

Registrar in these proceedings.

Assuming that the submission of Mr.Shah that, 'the judgment and order passed by the IPAB was not cited before respondent No.2 in these proceedings', is true then also, the conduct of respondent No.2 – the Assistant Registrar of 'not following a binding decision of the higher (appellate) forum' does not stand justified.

Respondent No.2 very well knew about the judgment and order passed by the IPAB even without it being cited in these proceedings. He has explained that judgment and order in his earlier judgment and order which is a reported one. So respondent No.2 very well knew about the judgment and order of the IPAB on the subject. That being so, the factum of 'not citing the judgment and order of the IPAB in these proceedings' becomes insignificant.

The learned senior counsel submitted that in fact, there is no suppression and there cannot be any suppression for the simple reason that such suppression is not going to serve any interest of the petitioners.

23. Mr.Purvish J.Malkan, learned advocate for respondent Nos.1, 2 and 3 supported the order passed by the Assistant Registrar – respondent No.2. Mr.Malkan could not explain as to, 'of the two,' i.e. order passed by the IPAB, which is referred to hereinabove and the order

passed by the Assistant Registrar which one is he supporting. Learned advocate Mr.Malkan also could not render any meaningful assistance to this Court on the point that, 'how does a subordinate legislation can travel beyond the scope of the main legislation.' He invited the attention of the Court once again to provisions contained in Sub-section (4) of Section 21, definition of the term, “prescribed” contained in Clause (s) of Section 2, provisions contained in Section 157 conferring rule making power and provisions of Section 131 relating to extension of time.

24. Mr.Shah, learned advocate for respondent No.4 relied upon certain decisions in support of his submissions, but then the same are not applicable to the facts of the case on hand and hence, the same are not referred to in detail.

25. In view of the nature of the prayer sought for, there is no question of any alternative remedy being available to the petitioners. Having found the submissions made by the learned senior counsel appearing for the petitioners with substance, the same are accepted. There is no question of the petition being dismissed on the ground of alternative remedy being available. .

26. In view of the aforesaid discussion, in view of the

settled legal position that subordinate legislation cannot travel beyond the scope of main legislation and having regard to the provisions of Section 131 which provides for extension of time, this Court has only two options, either to declare Sub-rule (2) of Rule 50 as ultra virus the Act or by employing principle of 'harmonious construction', to read Sub-rule (2) of Rule 50 to be a 'directory' one.

In the considered opinion of this Court, there is no reason much less a compelling reason for which the first option should be exercised and the 'Rule' be struck down by holding it to be 'mandatory'. As against that, it is a well settled position of law that principle of 'harmonious construction' should be pressed into service and Sub-rule (2) of Rule 50 be read as 'directory'. This Court is of the opinion that by declaring Sub-rule (2) of Rule 50, 'directory', no injustice or prejudice is going to be caused to any party. On the contrary, it will be serving the interest of justice. Hence, second option is exercised. Sub-rule (2) of Rule 50 is held to be 'directory' in nature.

27. However, it is clarified that holding Sub-rule (2) of Rule 50 to be 'directory' does not take away the powers of the Assistant Registrar to refuse extension of time in a given case when he finds that there is no substance in the grounds on which the extension of time

is sought for. As against that, to hold Sub-rule (2) of Rule 50 as 'mandatory', will devoid the Assistant Registrar of his power to exercise discretion in appropriate cases. This Court is of the opinion that the first option, empowering the Assistant Registrar to exercise the discretion in appropriate cases on the merits of the grounds put forward for extension of time, is the one to be preferred.

28. With these observations, the petition is allowed. Sub-rule (2) of Rule 50 is declared to be 'directory'. It is also held that the Assistant Registrar does have power to grant extension of time in light of the merits contained in the grounds on which the extension is sought for. In the consequence, order impugned dated 29.06.2005 is hereby quashed and set aside. The matter is remitted back to the appropriate authority for its consideration afresh. Rule is made absolute with no order as to costs.

(RAVI R.TRIPATHI, J.)

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